

## **RECOMMENDATIONS AND CURRENT STRATEGIES TO ADDRESS BARRIERS TO AFFORDABLE HOUSING**

Most of the key barriers identified in Chapter 9 have been barriers of varying degrees to affordable housing throughout the last decade. The following chapter will identify strategies used in the past and additional strategies to address key barriers, as well as provide additional recommendations suggested by the stakeholder committees. The strategies are summarized below:

### *Strategies to Address Income Barriers and the Ability to Pay for Housing:*

- provide job training for low income persons, specifically targeting persons who are racial and/or ethnic minorities, are new immigrants, have disabilities, are single parents with children, and/or are older adults.
- foster the creation of new jobs that pay living wages.
- support local and federal policies and programs that improve the ability of households to pay for housing.
- more resources should be used to expand basic financial skills training opportunities throughout the City.

### *Strategies to Reduce Housing Costs:*

- continue to support rental assistance
- support local policies and programs that keep the cost of housing and related expenses low.
- support local policies and programs that keep development costs down.

### *Strategies to Change NIMBY Attitudes:*

- educate and inform neighborhood organizations on the benefits of affordable housing and housing for special populations.
- encourage affordable housing providers to work with neighborhood associations before seeking City approval.
- provide "best practices" design standards for housing redevelopment projects to reduce NIMBYism.

### *Strategies to Mitigate the Affects of Local Regulation:*

- support the development of new affordable housing by reducing the costs of regulation.
- build in more flexibility to the building code and zoning ordinance
- reduce the impact of zoning regulations on special needs housing.
- examine new policies for their affect on affordable housing and the ability to pay for housing

*Strategies to Improve and Create Local Incentives:*

- continue to use federal funds as incentives to develop and preserve affordable housing.
- explore the use of innovative means to encourage the development of new affordable housing.
- explore the use of innovative means to encourage the preservation of existing affordable housing.
- leverage existing federal, state, and local (private) funds.

*Strategies to Overcome Barriers Created at the Federal Level:*

- promoting communication among affordable housing partners to understand federal regulations and additional costs.

*Strategies to Address the Lack of Specific Housing Types:*

- use federal funds to maintain existing low-income rental property and create additional rental units for special needs populations.
- private and non-profit entities should take the lead on developing innovative means to increase the supply of special needs housing and affordable housing.
- track inquiries for services or assistance.

*Strategies to Address the Quality of Affordable Housing:*

- conduct a housing conditions analysis
- offer incentives to rehabilitate properties.
- strengthen its ability to enforce building codes.
- identify target areas for improving housing quality and concentrate funding in those areas.
- provide technical guidance to housing providers, developers, and investors.
- maintain supportive infrastructure and right-of-ways within the NRSA and Low-to-Moderate Income Area.

*Strategies to Address Language and Cultural Barriers, and Other Barriers to Fair Housing:*

- increase the opportunity for immigrants, refugees, persons who are racial and/or ethnic minorities, and other underserved persons to be homeowners.
- encourage information sharing about fair housing issues

The strategies are explained in more detail below.

## **Strategies to Address Income Barriers and the Ability to Pay for Housing**

Because the gap between the richest and poorest of Lincoln's households is growing and the gap between the ability to pay for housing and the cost of housing is also growing, the City and its partners should continue to work toward increasing incomes and the ability of households to pay for housing. The City (along with Federal and State governments) and various partners have a number of programs and projects currently addressing this barrier. There are a number of public assistance and social insurance programs (Social Security, Medicare, Medicaid, Aid to Families with Dependent Children, Supplemental Security Income, food stamps) which supplement the incomes of persons in poverty and increase their ability to pay for housing.

Additionally, there are a number of programs in place to improve the ability of households to generate income. Programs like Head Start and the public education system improve the ability of future householders to generate their own incomes. The One Stop employment center assists people in finding jobs. Job training programs through the local workforce programs and other higher learning institutions (like Southeast Community College) assist existing households in improving skills and finding better jobs. Because of the income differences between racial/ethnic groups and among other subpopulations, the Urban Development Department, Workforce Investment division, stakeholders advise that the City should continue to provide *job training for low income persons, specifically targeting persons who are racial and/or ethnic minorities, are new immigrants, have disabilities, are single parents with children, and/or are older adults.*

However, job training alone cannot meet the need for jobs by low-income households. The City must actively *foster the creation of new jobs* that pay living wages within the City. The economic development study commissioned by the City explains the need for good jobs in more detail.

Generally, stakeholders *support local and federal policies and programs that improve the ability of households to pay for housing.* Government policies, like minimum wage standards and our local Living Wage Ordinance, set wage standards that prevent people from earning lower incomes than they would without such policies. Additionally, policies and programs, such as those that improve access to services (i.e., daycare, healthcare, public transportation), reduce other household expenditures and, therefore, increase the income available to spend on housing. Taking advantage of tax breaks like the Earned Income Tax Credit, increases income for low-income households. Additionally, rehabilitation and emergency repair programs which address health and safety concerns (i.e., mold, lead-based paint, carbon-monoxide gas), can reduce health care expenses and make more income available for housing and other expenses.

The expansion of financial knowledge helps consumers manage their incomes, so that they may be better able to pay for housing expenses. The Urban Development Department works with Neighborhoods Inc. and the Realtors Association to broaden the scope of consumers' budgeting and financial skills. Stakeholders advise that *more resources should be used to expand basic financial skills training opportunities throughout the City.*

## **Strategies to Reduce Housing Costs**

There are a number of City and provider programs which reduce the cost of housing for various low income individuals. In terms of rental housing, Section 8 vouchers reduce the cost of housing for extremely and very low income households, with emphasis on the neediest of these households. The City and its partners must *continue to support rental assistance* to prevent and minimize homelessness

Several programs currently offered to homebuyers and homeowners reduce the cost of housing, and are vital to making homeownership possible for low-income households. Such programs include downpayment assistance, low or no interest rate programs for home buying and rehabilitation, and other programs like Habitat for Humanity (which uses in-kind contributions and donations of supplies to reduce housing costs). Other programs indirectly reduce costs for

housing, for example, weatherization programs reduce the cost of utilities. Rehabilitation programs may also reduce the cost of utilities, as well as reduce the cost of deferred maintenance.

Stakeholders *support local policies and programs that keep the cost of housing and related expenses low*. The City should continue to support policies and programs that remove hazards, such as flood plain abatement, free smoke detector programs, and crime prevention programs, help to keep housing related expenses, like insurance, low. Additionally, the City should continue to work with partners like the Nebraska Equal Opportunity Commission and local banks to prevent the proliferation of predatory lending.

The City should also continue to encourage consumers to use various programs that directly reduced costs for owner-occupied housing, like Homestead Exemptions for low-income elderly, veterans, and persons with disabilities, downpayment assistance programs for low-income homebuyers, impact fee exemptions for new properties purchased by low-income homebuyers, etc.

The City should continue to enforce the three unrelated persons ordinance to keep single-family rental housing rents down and available for large families. Supporting student housing projects will also lessen the need for enforcement of this ordinance by meeting the needs of students.

Additionally, a rehabilitation sub-code could reduce the rehabilitation costs of existing homes.

Stakeholders also *support local policies and programs that keep development costs down*. Stakeholders feel that the City should maximize land use and reduce infrastructure development costs by encouraging infill of vacant land and reuse and rehabilitation of existing structures through the provision of tax incentives and other incentives in targeted redevelopment areas. Such incentives may require changing policy at the State level to enable the City to use them.

### **Strategies to Change NIMBY Attitudes**

Because NIMBY involves fear of change in the physical and/or social composition of the neighborhood and community, overcoming NIMBY attitudes can be one of the most difficult barriers to overcome. These sentiments can be easily translatable into government action or inaction. These attitudes can use concerns about property values, quality of life, neighborhood aesthetics, to cover up feelings against low-income persons, about persons with disabilities, and/or racial or ethnic prejudice.

The City and partners should work to *educate and inform neighborhood organizations on the benefits of affordable housing and housing for special populations*. Informed neighborhoods are better able to communicate with affordable housing providers and cope with the transition of new development and social change.

The City should *encourage* landlords, developers, special needs housing providers, and other *affordable housing providers to work with neighborhood associations* before seeking City approval. Effective communication about a project can reduce neighborhood fear and opposition.

The City and its partners should *provide “best practices” design standards for housing redevelopment projects* to reduce NIMBYism. Affordable housing can often be designed to fit within the existing neighborhood framework and remain affordable. The City should continue to work with the media to highlight best practices in affordable housing design, maintenance, and support.

### **Strategies to Mitigate the Affects of Local Regulation**

The City should continue to *support the development of new affordable housing by reducing the costs of regulation*. The City should continue to offer impact fee waivers to low-income households who purchase new housing. The Planning Department and Building and Safety Departments should continue to work to *reduce the length of the development process*. The City has already made strides to reduce the length of the development process, reducing land holding time and costs.

Stakeholders feel that the City should *build in more flexibility to building code and zoning ordinance* to allow for smaller lot sizes, zero lot lines, higher density, mixed-use, and innovative materials and building designs. Additionally, a rehabilitation sub-code could reduce the rehabilitation costs of existing homes, improve the quality of the housing stock, and preserve existing affordable housing..

The City should *continue to reduce the impact of zoning regulations on special needs housing*. The City should follow recommendations established by the group home task force to provide equal access to special needs housing.

The City should *examine new policies for their affect on affordable housing* and the ability to pay for housing before and after they are implemented through the assistance of a task force (i.e., impact fee exemptions, property tax relief, downzoning). Regulatory barriers to affordable housing should then be mitigated.

### **Strategies to Improve and Create Local Incentives**

The City should *continue to use federal funds as incentives to develop and preserve affordable housing*. The Urban Development Department along with Neighborhoods, Inc. should continue to finance the rehabilitation of owner-occupied and investor-owned units in the NRSA and LMI areas. The Urban Development Department along with Neighborhoods, Inc. and Heart of Lincoln should encourage homebuyers to purchase in the NRSA (for owner-occupancy). The Urban Development Department should develop an incentive program for investor-owners to sell to owner-occupants. The Urban Development Department should expand rehabilitation and purchase rehabilitation programs through funding support from existing partnerships.

The City should *explore the use of innovative means to encourage the development of new affordable housing*, including set-aside requirements, land banking, community land trusts, single-family density bonuses, a housing equity fund, tax abatement, public/private partnerships,

etc. The City and County should examine the steps to revise the state constitution to allow for a more creative city tax policy that supports the development of affordable housing.

The City should *explore the use of innovative means to encourage the preservation of existing affordable housing*, including a housing rehabilitation subcode, tax abatement, public/private partnerships, etc.

The City should identify other sources of funding to *leverage existing federal, state, and local (private) funds*. In particular, sources should be identified that will cover soft costs and supportive housing services.

### **Strategies to Overcome Barriers Created at the Federal Level**

Federal rules and regulations, specifically those that are confusing, redundant, or contradictory with other federal, state, or local regulations have an adverse effect on housing affordability. The administrative cost of meeting the requirements of federal programs indirectly increase the cost of housing. Additionally, the cost of meeting unfunded mandates, like lead-based paint abatement, reduce funds available for other programs.

While the City may be able to do very little to eliminate the barriers created by federal regulation, the City can assist in overcoming them by *promoting communication among affordable housing partners to understand federal regulations* and additional costs. Additionally, the City can help to inform State government on the barriers created by federal and state programs.

### **Strategies to Address the Lack of Specific Housing Types**

The City should *use federal funds to maintain existing low-income rental property and create additional rental units for special needs populations*. Federal funds should be used to assist non-profits in providing for special needs populations to the rehabilitation and maintenance of Low-Income Housing Tax Credit properties and other rental properties that have traditionally serve low-income and special needs households. The City should use funds to assist developers in gap financing for new construction of an elderly housing tax credit project. The City should use federal funds to remove architectural barriers to housing.

Stakeholders feel that some *private and non-profit entities should take the lead on developing innovative means to increase the supply of special needs housing and affordable housing*. Suggestions included the following ideas. A local foundation or non-profit should develop a grant pool for the development of special needs housing, including housing for persons who have physical or mental disabilities, that could be used toward construction and/or operating expenses. Local banks should organize a lending consortium and develop an assigned risk lending pool with a revolving loan fund to share in the risk of and to apply for other sources of funding for large scale affordable housing projects. Addressing the need for student housing may free up housing used by students for other household types. The City should work with the University

and other colleges (i.e., new on campus housing, increase/decrease in enrollment) on addressing affordable housing issues.

Local housing providers should *track inquiries for services or assistance* (i.e., financial aid, housing discrimination complaints, locating housing), including those that were forwarded to other organizations to assist in identifying gaps in affordable housing.

## **Strategies to Address the Quality of Affordable Housing**

The City should *conduct a housing conditions analysis* to determine the extent of the housing problem, the concentration of housing quality problems, the prevalence of problems among housing types, and the relationship of quality problems to other neighborhood and quality of life issues. The City and Neighborhoods, Inc. should also continue to identify vacant, dilapidated housing and develop strategies to address them. Having this information will allow the City to more appropriately target housing funds and measure the impacts of funding.

The City should *offer incentives to rehabilitate properties*. The City should continue to support the use of historic tax credits for the rehabilitation of historic property. The City should examine the use of other tax incentives or relief to encourage the rehabilitation and preservation of affordable housing.

The City should *strengthen its ability to enforce building codes* through appropriate regulation, financial support, staffing, and partnerships. The Building and Safety Department should require interior inspections of all licensed rental units. The Department should also require licensure of one- and two-family rental properties to improve their quality and maintenance. The City should adopt a consumer protection law to protect renters if they make a complaint about the quality of their units. The Neighborhood Associations should make referrals about problem properties to the Building and Safety Department.

The City and partners should *identify target areas for improving housing quality and concentrate funding in those areas*. The City should use federal funds to improve the quality of the housing stock in the Neighborhood Revitalization Strategy Area (NRSA) and maintain the affordable housing stock within the Low-to-Moderate income areas of the City. The Urban Development Department and Neighborhoods, Inc. should also target housing along major arterials for rehabilitation. The City should be proactive in addressing housing quality issues in neighborhoods before major decline. The Urban Development Department should continue to provide funding for the removal of dangerous secondary structures and trees.

The City should *provide technical guidance to housing providers, developers, and investors*, including a “best practices” guide to local and regional affordable housing projects, a clearinghouse or toolbox of financial resources, a rehabilitation subcode with technical support, and clear neighborhood design standards.

The City should *continue to maintain supportive infrastructure and right-of-ways* within the NRSA and Low-to-Moderate Income Area to encourage private investment in housing.

## **Strategies to Address Language and Cultural Barriers, and Other Barriers to Fair Housing**

Strategies previously discussed to reduce NIMBYism, remove regulatory barriers, improve the ability of households to pay for housing, and reduce the cost of housing will greatly improve access to housing, especially by groups affected disproportionately by barriers.

The City and its partners should *increase the opportunity for immigrants, refugees, persons who are racial and/or ethnic minorities, and other underserved persons to be homebuyers*. The City should continue to partner with local service agencies to provide training (i.e., homebuyer counseling) and informative materials in a variety of languages, as needed. The City should enhance existing programs, improve marketing of programs, and develop new incentives to increase homeownership rates in neighborhoods with lower-than-average homeownership rates and among ethnic and racial minorities. The City should encourage and provide information to private, public, and non-profit entities to hire persons with specific cultural competencies and/or who are bilingual to be managers, supervisors, etc.

*Participation on local boards will encourage information sharing about fair housing issues*. The City should continue to participate with private entities on local boards (i.e., Realtors' Affordable Housing and Equal Opportunity Committees) to address affordable and fair housing needs. The Lincoln Commission on Human Rights should continue to present information to local boards.